April 29, 2022

CERTIFIED MAIL #9489 0090 0027 6022 8199 16

Joe Taglieri 14550 Easter Avenue, Suite 200 Centennial, CO 80112 Joe.Taglieri@runningfoxes.com

REFERRAL NOTICE OF VIOLATION #SW2221

Dear Joe Taglieri:

Staff from the Missouri Department of Natural Resources conducted an emergency response investigation on April 8, 2022 of the Running Foxes Petroleum- Emmerson Lease facility located in Vernon County. The facility does not currently have a Missouri State Operating Permit. The investigation was conducted in response to an environmental emergency call reported to the Department.

The enclosed report documents the serious and significant violations that were identified. As a result of the investigation, Referral Notice of Violation (RNOV) #SW2221 is being issued for causing pollution to waters of the state.

This case is being referred to the Department's Water Pollution Control Branch, Compliance and Enforcement Section for further action. If you have any questions regarding the inspection report, please contact Jake Waters by calling 417-891-4300, by email at SWRO@dnr.mo.gov, or via mail at Southwest Regional Office, 2040 W. Woodland, Springfield, Missouri 65807-5912. If you have questions regarding the status of the enforcement case or would like to meet with Department staff to discuss compliance requirements, please contact the Compliance and Enforcement Section by calling 573-751-1300 or correspond by writing to the Department of Natural Resources, Water Pollution Control Branch, Compliance and Enforcement Section, P. O. Box 176, Jefferson City, Missouri 65102.

Sincerely,

SOUTHWEST REGIONAL OFFICE

Cynthia S. Davies Regional Director

CSD/chr

c: KDHE, Bourbon County EM, EPA Region VII

217.wpcp.x.RunningFoxesPetroleum.2022.04.29.rnov.sw2221.cmh

Carbon Copy Address Attachment Include each individual identified in the carbon copy line that is not a MDNR staff member in one of the groups below.

Physical Addresses:

Email Addresses: em1@bourboncountyks.org

Renee.brown@ks.gov Joseph.dom@ks.gov

Stubblefield.brianne@epa.gov Pritchard.jeffrey@epa.gov

FAX Numbers: (for those that have indicated this is the preferred method of receipt)

Missouri Department of Natural Resources Southwest Regional Office/Water Pollution Control Branch Report of Inspection Running Foxes Petroleum- Emmerson Lease Facility Unpermitted Vernon County, Missouri April 29, 2022

Introduction

On April 8, 2022, an emergency response was made to the Running Foxes Petroleum- Emmerson Lease facility in Vernon County, Missouri by the Missouri Department of Natural Resources. This report presents the findings and observations made during the emergency response. Authority for this investigation is provided in Missouri Clean Water Law 644.026.1(21), RSMo. The following participants were present during the inspection:

Running Foxes Petroleum
Chuck Large, Operations (417) 317-6296

Missouri Department of Natural Resources
Carl Harris, Environmental Specialist

Facility Description and History

The facility provides above-ground storage for process water and crude oil for area pressurized oil wells. The facility consists of five above-ground storage tanks connected to underground piping. Any discharge from this facility flows into a tributary to Shiloh Creek, classified as a gaining setting. The UTM 83 coordinates for this facility is E 0358099, N 4199902. The facility does not currently operate under a Missouri State Operating Permit.

Our records indicate that previous investigations of this facility were conducted by the Department on June 8, 2016 and July 31, 2017. The 2016 investigation (Incident # 160608-1045-ECT) found that a release of approximately 5 barrels of crude oil and water mixture was released due to loss of electrical power to the unmanned facility, causing a holding tank to overflow and breach the containment structure. The 2017 investigation (Incident #170726-0905-SEH) found that a crude oil release of unknown quantity occurred in May 2017 due to a secondary containment berm failure, and again in July 2017 due to "vandalism". The area was remediated under the observation of the Department's Environmental Emergency Response Section (EER) and the Environmental Protection Agency (EPA). On June 4, 2020, another release occurred (Incident #200604-1256-SMC) on adjacent land also leased by Running Foxes Petroleum, approximately 600 feet to the south of the current release event, reportedly due to a crushed underground line. The contaminated soil was remediated and disposed on acreage in Kansas under approval of Kansas Corporation Commission (KCC).

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Discussion of Investigation and Observations

On March 30, 2022 at approximately 1130 hours, the Department's EER Section received a telephone call from Bourbon County, Kansas Emergency Management in regard to a crude oil release that occurred at the Running Foxes Petroleum- Emmerson Lease Facility near the Missouri/Kansas state line. The release was of unknown quantity, and was reported to have entered a tributary to Shiloh Creek, which runs through the Emmerson Lease property. EER responded by contacting the affected landowner, Kansas Department of Health and Environment (KDHE), and EPA, who reported that Running Foxes had already initiated remediation activities.

On April 8, 2022, EER visited the site to observe and document remediation activities. Crude oil and water was present in the secondary containment. Running Foxes was using a vacuum truck to remove liquid from the trench and waterway. A pipe was unearthed during initial excavation of soil and is of unknown origin. It appeared to be releasing a small amount of oil/water mixture. An underflow dam had been constructed to allow water flow while trapping oil to be removed by the vacuum truck. Additional absorbents and damming was added to the waterway to prevent oil flowing downstream.

Sampling and Monitoring

The facility was not discharging during the inspection; therefore, no field measurements or samples were taken.

Compliance Determination and Required Actions

Based on observations made at the time of the inspection, the facility was found to not be in compliance with the Missouri Clean Water Law and its implementing regulations.

Referral Notice of Violation

1. On March 30, 2022, Running Foxes Petroleum, Inc. operated, used, or maintained a water contaminant source (crude oil storage tanks), which discharged to a tributary to Shiloh Creek, waters of the state, without a MSOP. This is a violation of Missouri Clean Water Law Sections 644.051.2 and 644.076.1, RSMo and Missouri Clean Water Commission Regulation 10 CSR 20-6.200.

REQUIRED ACTION: This facility is being referred to the Department's Water Pollution Control Branch- Compliance and Enforcement Section for further action. Once a Case Manager has been assigned, they will contact you with further details and required actions.

2. On March 30, 2022, Running Foxes Petroleum caused pollution of a tributary to Shiloh Creek, waters of the state, or placed or caused or permitted to be placed water contaminants (crude oil) in a location where it is reasonably certain to cause pollution of waters of the state. This constitutes a violation of Missouri Clean Water Law Sections 644.051.1(1) and 644.076.1, RSMo.

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REQUIRED ACTION: This facility is being referred to the Department's Water Pollution Control Branch- Compliance and Enforcement Section for further action. Once a Case Manager has been assigned, they will contact you with further details and required actions.

Signatures

SUBMITTED BY:

Carl Harris

Environmental Specialist Southwest Regional Office **REVIEWED BY:**

Tina A. White, Chief

Water Pollution Inspection and Enforcement Unit

Southwest Regional Office

Attachments

Attachment #1 - Photographs (#001 through #006)

Attachment # 2 – Aerial Map



MISSOURI DEPARTMENT OF NATURAL RESOURCES DIVISION OF ENVIRONMENTAL QUALITY

PHOTOGRAPH ADDENDUM

REGIONAL OFFICE Southwest



PHOTOGRAPH# 1

DATE TAKEN: April 8, 2022 TAKEN BY: Carl Harris PROGRAM: WPCP

ENTITY: Running Foxes-Emmerson Lease

PERMIT: NA

LOCATION: North side of tank area **DESCRIPTION:** Crude oil and water in

secondary containment area



PHOTOGRAPH# 2

DATE TAKEN: April 8, 2022 TAKEN BY: Carl Harris PROGRAM: WPCP

ENTITY: Running Foxes-Emmerson Lease

PERMIT: NA

LOCATION: Northwest corner of tank area **DESCRIPTION:** Crude oil and water in

secondary containment



PHOTOGRAPH# 3

DATE TAKEN: April 8, 2022 TAKEN BY: Carl Harris PROGRAM: WPCP

ENTITY: Running Foxes-Emmerson Lease

PERMIT: NA

LOCATION: North of tanks

DESCRIPTION: Downstream flow of release. Note pipe in trench of unknown origin. This pipe had what appeared to be crude oil/water

releasing.



PHOTOGRAPH# 4

DATE TAKEN: April 8, 2022 TAKEN BY: Carl Harris PROGRAM: WPCP

PROGRAM: WPCP ENTITY: Running Foxes-Emmerson Lease

PERMIT: NA

LOCATION: North of tanks

DESCRIPTION: Trench and underflow dam constructed to prevent flow of oil into waterway.



PHOTOGRAPH# 5

DATE TAKEN: April 8, 2022 **TAKEN BY:** Carl Harris PROGRAM: WPCP

ENTITY: Running Foxes-Emmerson Lease

PERMIT: NA

LOCATION: North of tanks at Kansas/Missouri

border

DESCRIPTION: Downstream of underflow dam.



PHOTOGRAPH# 6

DATE TAKEN: April 8, 2022 TAKEN BY: Carl Harris

PROGRAM: WPCP ENTITY: Running Foxes-Emmerson Lease

PERMIT: NA

LOCATION: Looking west to Kansas
DESCRIPTION: Unnamed tributary of Shiloh Creek. Note oil absorbents in creek saturated

with oil

Attachment – Aerial Photograph Running Foxes Petroleum- Emmerson Lease Facility

Aerial Photograph Courtesy of Google Maps

